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C O N F I D E N T I A L SECTION 01 OF 04 PRETORIA 000539

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TAGS: [KDEM](#) [PGOV](#) [PREL](#) [SF](#)

SUBJECT: PART 2 OF 2: QUESTIONS AND ANSWERS AHEAD OF THE
SOUTH AFRICAN ELECTION: RESPONSE TO C-AL9-00425

REF: A. PRETORIA 02576

[1](#)B. DURBAN 000011

[1](#)C. DURBAN 000024

[1](#)D. PRETORIA 000451

[1](#)E. PRETORIA 000484

[1](#)F. 08 PRETORIA 002624

[1](#)G. PRETORIA 182

[1](#)H. PRETORIA 203

[1](#)I. CAPE TOWN 000019

[1](#)J. PRETORIA 000067

[1](#)K. CAPE TOWN 000034

[1](#)L. DURBAN 000006

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[1](#)M. 08 PRETORIA 2650

[1](#)N. 08 PRETORIA 2576

[1](#)O. 08 PRETORIA 2736

[1](#)P. 08 PRETORIA 2764

Classified By: POLITICAL COUNSELOR RAYMOND L. BROWN FOR REASONS 1.4 (B)
AND (D).

SUMMARY

[1](#)1. (C) This cable is part 2 of 2 in response to C-AL9-00425.
Reftels refer to parts 1 and 2. End Summary.

(C) WHO IN THE ANC DO THE OTHER PARTY MEMBERS SUSPECT OF
SYMPATHIZING WITH COPE?

[1](#)2. (C) The ANC suspects anyone and everyone of sympathizing
with COPE despite efforts by Mantashe and others to invite
defectors back into the ruling party. (See Reftel N for more
information.) Post has described the "non-purge purge" that
the ANC has been experiencing since Polokwane many times
during the past year, and efforts to purge Mbeki supporters
in favor of Zuma supporters have continued since the
formation of COPE. In meetings with the DA, IFP, and the
UDM, party leaders have expressed little concern that their
members are planning to leave for COPE or are working for
COPE underground. In fact, most party members have expressed
the view that the formation of the new party has hurt the ANC
more than any other organization.

(C) HOW ARE DECISIONS REACHED AND IMPLEMENTED IN COPE?

13. (C) Despite statements to the contrary, COPE is very much a top down organization. (See Reftels N and O for more information.) Decisions are made by COPE's National Executive Committee and appear to be driven by Shilowa and Lekota. Signs vary as to who has the upper hand and most indications suggest that power is often issue dependent. For instance, Shilowa had the upper hand when Mvumelwana Dandala was selected as the party's presidential candidate. (See Reftel D for more information.) However, in a March 12 meeting with the CDA, ADCM, Polcouns, and Poloffs, Lekota clearly had the upper hand. Lekota barely gave time for Dandala to speak at the meeting and drove most of the agenda.

14. (C) It is unclear how decisions are implemented, but most political commentators appear to agree that decisions by the party have not been implemented very well ahead of the election, and this is especially true in provinces such as KwaZulu Natal.

(C) WHAT ARE THE SIGNS THAT TENSIONS EXIST BETWEEN
TERROR LEKOTA AND MBHAZIMA SHILOWA?

15. (C) There has been tension between Lekota and Shilowa since Lekota was selected as the party's leader in December 2008. (See Reftel D for more information.)

(C) WHAT ARE THE SIGNS THAT FACTIONS ARE DEVELOPING IN
THE COPE? IF FACTIONS ARE DEVELOPING, WHO LEADS THEM AND DO
TENSIONS EXIST BETWEEN THE VARIOUS GROUPS?

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16. (C) This question has been dealt with extensively in Post's body of political reporting. (Most recently, see Reftel D to address the question of factions developing.) Lekota's personal assistant, Tseliso Phomane, also has told Poloff that factions within the party are strong between those who support Lekota and those who support Shilowa. Phomane himself has been accused of being "too much of a Lekota man." He noted in a recent meeting that there are others also accused of too closely backing Lekota over the "good of the party."

(C) WHAT ARE THE INDICATIONS THAT THE CONGRESS OF SOUTH
AFRICAN TRADE UNIONS (COSATU) MAY SPLIT ALONG ANC AND COPE
LINES?

17. (C) The Congress of South African Trade Unions (COSATU) remains strongly allied with the ANC and COSATU members are near uniform in their belief that an alliance with a Zuma-led ANC, is the best way to shift South African politics leftward. COSATU asserted (correctly) that Mbeki marginalized the union organization as part of the tripartite alliance and regards COPE as a negative extension of the Mbeki era. COSATU leadership acknowledges that members are unhappy with the ANC over a poor track record of service delivery but has assessed that most members will vote for the ANC while a few will abstain instead of switching support to an opposition that is perceived as anti-labor. COSATU will face a greater challenge from its members post-election when those members expect COSATU and the ANC to deliver on promises, made by General Secretary Zwelinzima Vavi, for a substantial shift in South African labor law and policy. Western Cape COSATU provincial secretary Tony Ehrenreich told Cape Town Econoff in early March that COSATU provincial structures are firmly behind the ANC and he gave Econoff a copy of a COSATU-distributed pamphlet that derides COPE as the "Black DA." See Septel for more information.

(C) WHAT ARE THE INDICATIONS THAT COPE IS LOBBYING
COSATU MEMBERS TO LEAVE THE TRADE UNION?

18. (C) COPE has had difficulty in launching an affiliated trade union movement led by former COSATU President Willy Madisha, who tops the party's regional list for Limpopo province. Madisha, while noble in his cause, has received little support for a parallel federation outside of his former homes -- the South African Democratic Teachers Union (SADTU) and the National Union of Mineworkers (NUM). The other twenty COSATU affiliates remain loyal to Vavi and RLO has seen little evidence that this will change. COSATU's top down and undemocratic leadership tends to quietly push out dissenting views; yet, to date only Madisha and Ehrenreich have been asked to leave. All other affiliate leadership remains pro-ANC and intact.

(C) IF ZUMA WINS THE ELECTION, WHO WILL HE TURN TO FOR
ADVICE?

19. (C) This question has been dealt with extensively in Post's political reporting. Zuma himself has said that he will rely heavily on the ANC's National Executive Committee. Qwill rely heavily on the ANC's National Executive Committee to help formulate and implement policies. Therefore, the party's list is key to understanding which officials he may seek advice from. In addition, Gumede told Poloff and Econoff that Zuma's circle includes Mantashe, Mbete, Ebrahim Ebrahim, Blade Nzimande, and Vavi. Both Gumede and Kotze believe Zuma will look to Finance Minister Trevor Manuel for economic advice despite how that may anger Nzimande and Vavi. This circle will be easier to discern once Cabinet appointments are made after the election.

(C) WHAT IS ANC'S STRATEGY FOR KEEPING ZUMA OUT OF
PRISON?

110. (C) The ANC's legal strategy was dealt with extensively in Reftel K. The message from the ANC's legal adviser and

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from prominent legal scholar Pierre de Vos is that the ruling party intends to drag out the legal process as long as possible. There are signs that the ANC could attempt to pressure the National Prosecuting Authority to drop all charges as not being in the best interests of the country -- or to at least float the idea publicly to see how much anger it gets from the populace and the international community.

(C) WHICH GOVERNMENT ENTITIES (SOUTH AFRICA RESERVE
BANK, DEPARTMENT OF TRADE AND INDUSTRY, POLITICAL PARTIES,
TRADE UNIONS, ETC.) DRIVE CURRENT ECONOMIC DECISION-MAKING?

111. (C) Economic policy is implemented by line ministries with key policy decisions being taken by the cabinet. The policy process is coordinated by the Presidency, with National Treasury also playing a key coordinating role through its influence on the budget process. The Reserve Bank is an independent institution. Business and labor both exert a strong influence over economic policy. By most accounts, Mbeki provided relatively strong economic leadership, particularly through the ASGISA framework, which focused on removing impediments to growth (such as infrastructure bottlenecks, poor skills, and abusive market practices). ASGISA prompted government departments to prioritize their efforts and report results to the Presidency (especially to Deputy President Bulelani-Ngucka). Progress

was made in some areas (such as infrastructure), but deficiencies remain in other areas such as skills or electrical power. This Presidency-led process seems to have atrophied under Motlanthe, who may feel that it is inappropriate for him to make major policy initiatives.

(C) WHICH INDIVIDUALS AND INSTITUTIONS DOES THE ANC ASSESS WILL PLAY SIGNIFICANT ROLES IN MAKING ECONOMIC DECISIONS IN A ZUMA ADMINISTRATION?

¶12. (C) Everything will depend on the composition of the next cabinet, which will be selected as much on the basis of politics as economics. There is widespread speculation that Trevor Manuel will remain as Finance Minister during a "transitional" period that could last for a few months or up to a year. Pravin Gordhan and Gill Marcus have been named as possible successors to Manuel, but this is pure speculation; Marcus has also been cited as a possible future SARB Governor. Phosa was touted as a possible Finance Minister, but he seems to have taken himself out of the running. Rob Davies is widely cited as the next Trade and Industry Minister. Many people speculate that a union figure will be given the top slot at Public Enterprises (Vavi was often mentioned until he took himself out of the running); others speculate that Public Enterprises will be abolished in its current form. Serious plans are afoot to form a Planning Commission, but no one knows exactly what it would do: SAG reps recently visited Vietnam, Brazil, and Singapore to see what their commissions do.

(C) ARE THERE SIGNS THAT THE ANC PLANS TO IMPLEMENT THE INDUSTRIAL POLICY LAUNCHED BY THE DEPARTMENT OF TRADE AND QINDUSTRIAL POLICY LAUNCHED BY THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) IN 2007? IF SO, HOW?

¶13. (C) The industrial policy is already being implemented, albeit slowly, clumsily and without massive funding. More subsidies are eligible for key sectors, industrial policy considerations are influencing trade policy, and emergency bail outs are going to be directed particularly to firms in key sectors. Industrial policy was always going to be implemented in a fairly ad hoc way, though DTI is reportedly disappointed that it hasn't received greater financial resources to throw at sectors. Financial constraints flowing from the global slowdown may constrain the SAG's ability to pursue industrial policy under Zuma. Davies is driving the implementation of industrial policy, and is a likely candidate to be the next government's Minister of Trade and Industry, according to DTI contacts.

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(C) WHAT ARE THE SIGNS THAT THE ANC PLANS TO REINVIGORATE THE NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL (NEDLAC) FOLLOWING THE ELECTION?

¶14. (C) The unions want NEDLAC to play a greater role in the policy process. However, NEDLAC's mandate to operate through consensus makes it an unwieldy policy instrument -- and that won't change under Zuma. NEDLAC probably will remain sidelined. Chamber of Mines Economist Roger Baxter participates in the NEDLAC meetings and seems to give it some credit for influence and substance, but he noted that particularly with respect to the power crisis there were too many conflicting task forces and meetings.

COMMENT

¶15. (C) This concludes parts 1 and 2 of the response to C-AL9-00425. Several of the questions concerning the character of the South African vote will be answered in future cables, as the Political Section has formed an Election Task Force. Moreover, some of the questions regarding the post-election situation will be answered at the appropriate time when information is more readily available.
LA LIME